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THE IMPACT OF CORPORATE SOCIAL RESPONSIBILITY ON CONSUMER BEHAVIOR IN THE RESTAURANT INDUSTRY OF VAASA

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ACKNOWLEDGEMENT

This final thesis concluded my academic study on the Business Economics and Tourism program, specialized in Restaurant Management, at Vaasa University of Applied Sciences (VAMK). Although it was challenging, I am grateful to have been given this opportunity to study at VAMK and to conduct this final research. With this work, I have gained a good knowledge of Corporate Social Responsibility (CSR), which is a new field of study. Nonetheless, it has received noticeable attention from the academics and scholars for its recognized roles in the economy. I hope this study will be beneficial to the focal restaurants when it comes to CSR related decisions. In addition, I would be more than happy if other students find this work practical and helpful for their future researches.

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ABSTRACT

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The fundamental purpose of this thesis was to examine the influence of Corporate Social Responsibility (CSR) initiatives on customer behavior in the restaurant field. Moreover, this study gives a general look at current practices of CSR in the restaurant industry of Vaasa.

Three restaurant owners in Vaasa were interviewed about current practices of CSR at their restaurants. Meanwhile, one hundred random customers at the local restaurants were asked in questionnaires about their reaction to different CSR activities.

The analysis of both primary and secondary data indicates that CSR practices do have an impact on customer behavior in restaurant context. However, not every CSR activity generates the same level of impact on customers. In addition, the study also reveals that restaurateurs in Vaasa have been doing sufficient practices of CSR at their restaurant even though they are not familiar with the term CSR.

Key words	Corporate Social Responsibility, customer behavior, restaurants, Vaasa
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TIIVISTELMÄ

Tekijä	Doan Thi Thuy Trang
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Tämän opinnäytetyön perimmäisenä tarkoituksena oli tutkia yrityksellisen yhteiskuntavastuun (CSR) aloitteiden vaikutusta asiakaskäyttäytymiseen ravintola-alalla. Lisäksi tämä tutkimus antaa yleisen kuvan yrityksellisen yhteiskuntavastuun nykyisistä käytännöistä Vaasassa ravintola-alalla. Kolmea Vaasan ravintoloitsijaa haastateltiin CSR käytännöistä heidän ravintoloissaan. Samaan aikaan sadalla satunnaisesti valitulla asiakkailla teetettiin kysely heidän reaktioistaan erilaisiin CSR toimintoihin.

Ensisijaisen ja toissijaisen tiedon analyysi osoittaa, että CSR harjoitteet vaikuttavat asiakkaiden käyttäytymiseen ravintoloissa. Toisaalta jokainen CSR:n liittyvä yrityksen toiminta ei luo samalla tasolla vaikutusta asiakkaisiin. Lisäksi tutkimuksessa paljastui myös, että Vaasan ravintoloitsijat ovat tehneet riittävästi CSR käytäntöjä, vaikka he eivät tunne termiä CSR.

Avainsanat	Yrityksellisen yhteiskuntavastuun (CSR), asiakkaiden käyttäytyminen, ravintolat, Vaasa
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1 INTRODUCTION

This first chapter introduces the background for the conduct of the subject as well as the objectives the author aims to achieve. A brief overview of Corporate Social Responsibility (CSR) will be presented in the first sub-chapter. The research questions, the restrictions, and finally the structure of the thesis are explained respectively.

1.1 Research problems and objectives

The Confederation of Finnish Industries (EK) uses the term Corporate Responsibility (CR) while the concept is widely known as Corporate Social Responsibility. EK defines Corporate Responsibility as active responsibility, which stems from the company's values, objectives and activities and which takes into account the expectations of the main stakeholders. It is built upon economic, environmental, and social principles. The aim is to realize sustainable development within the companies in a voluntary way. CR has been on the Finnish business agenda for a long period. A great number of companies have implemented CR as a part of their strategy (EK, Corporate Responsibility – Practices in Finnish business, 2006.).

As proven currently by the Environment Agency, a British non-departmental public body of the Department for Environment, Food and Rural Affairs and an Assembly Government Sponsored Body of the Welsh Assembly Government that serves England and Wales, among all business sectors, the restaurant industry has the lowest awareness in environmental issues. The findings reveal that food services and restaurant industries in England and Wales are responsible for 3 million tons of food waste annually; while restaurants throw out an incredible 600,000 tons of glass bottles a year, and they are using 391 million cubic meters of water annually ("The Sustainable Restaurant Association", 2011.).

According to the Technomic, a fact-based consulting and research firm serving the food industry, whose headquarter is located in Chicago, CSR has become a popular topic for the restaurant industry and consumers (Tracking and interpreting restaurant trends, 2010.). It is claimed that restaurants can gain additional rewards for being socially responsible. In particular, a survey conducted by the Technomic (Tracking and interpreting restaurant trends, 2010) has indicated that some 19 percent of the respondents will eat out at a socially responsible restaurant, and about 45 percent of them will do so if it is convenient. Meanwhile, statistics from the US National Restaurant Association and the Cone Group (2010) have shown that restaurant consumer demand for corporate social responsibility is undoubtedly growing. In fact, around 56 percent of the respondents say that they are more likely to visit a restaurant that offers organic food. It is predicted that the demand is not a short-term trend but will continue to increase.

These facts and figures interested the author to search for further relevant studies about CSR in the restaurant industry of Finland. Nonetheless, no data, or at least no data in English was found. Hence, it motivated the author to do a thorough study about the subject.

The fundamental objective of this thesis is to examine a conceptual framework, which predicts that CSR has an impact on consumer behavior in restaurant industry in Finland generally, and in Vaasa particularly.

1.2 Research questions

In this study, both primary and secondary data are employed to provide a thorough explanation to these below research questions. Secondary data are collected from the literature such as books, articles, journals, etc. Meanwhile, primary data are achieved by in-depth interviews with local restaurateurs and questionnaires handed to customers at a local restaurant. By the end of the study, the readers will gradually be able to find the answers to the research questions below:

1. To what extent has CSR been implemented in the restaurant industry of Vaasa?
2. Do customers expect restaurants to be socially responsible?
3. Are customers' purchase decisions affected by a restaurant's CSR activities?
4. Under what preconditions will CSR effort have an impact on customer behavior?
5. Are customers willing to pay premium prices for the food and service of a restaurant actively engaging in CSR?

1.3 Structure of the thesis

This thesis starts with the introduction chapter where research problems, research questions and the structure of the thesis are explained. Chapter 2 focuses on developing a theoretical framework, which forms a foundation for the later empirical study. In this chapter, the author takes a closer look into the concept of Corporate Social Responsibility (CSR) and some typical CSR practices in restaurant field. After that, the definition of consumer behavior is explained generally while the main emphasis lies on factors affecting consumer behavior. The theoretical framework is reinforced with some examples of previous studies demonstrating the influence of CSR activities on several customer-related outcomes. Chapter 3 introduces the research methods employed in the study and clarifies why they were chosen. It continues with the explanation of the research development. How the questionnaire was designed and collected, and how the interviews with representatives of several chosen restaurants in Vaasa were conducted will be explained in this chapter. The data collected then will be analyzed in chapter 4. Finally, the fifth chapter presents the implications of the study.

2 THEORETICAL FRAMEWORK

Several scholars have found that corporate social responsibility have a significant impact on several customer-related outcomes (Bhattacharya & Sen, 2004). Based on lab experiments, CSR is reported to affect, either directly or indirectly, consumer product responses (Brown, 1998), customer-company identification (Bhattacharya & Sen, 2001), and recently customers' product attitude (Berens, Van Riel, & Van Bruggen, 2005). Nevertheless, to this date, there is no agreement on a universal definition for the concept of CSR.

Both theory and recent research evidence suggest that a corporation's socially responsible behavior can positively affect consumers' attitudes toward the corporation. (Lichtenstein, Drumwright, & Braig, 2004.). The empirical study of Mohr and Webb (2005) indicates that CSR has an important and positive influence on consumers' company evaluations and purchase intention.

2.1 Corporate Social Responsibility

Although only in common usage since the 1960s, CSR has its roots in the Industrial Revolution. There is an impressive history behind the formulation of the concept and definition of corporate social responsibility (CSR). The evolution of the CSR construct began in the 1950s, which marked the modern era of CSR. Innumerable scholars strived to formulate the concept during the 1960s, which lead to a proliferation of CSR definitions during the 1970s. In the 1980s, there were fewer definitions formed, more empirical research conducted, and alternative themes began to mature. These alternative themes included corporate social performance (CSP), stakeholder theory, and business ethics theory. In the 1990s, CSR continued to serve as a core construct in numerous researches but was transformed into alternative thematic frameworks (Carroll, 1991, 268.).

2.1.1 The concept of Corporate Social Responsibility

As mentioned before, academics and practitioners have been striving to establish an agreed-upon definition of CSR for 30 years. Since CSR is a broad concept, there is a variety of definitions given to this term. The Confederation of Finnish Industries EK prefers to use the term Corporate Responsibility. Corporate Responsibility is defined as “active responsibility, which stems from the company’s values, objectives, and activities and which takes into account the expectations of the main stakeholders. It is built upon economic, environmental and social principles. The aim is to realize sustainable development within companies in a voluntary way” (EK, 2006, 1). European Commission (2006) has proposed an equivalent definition of CSR as “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”. Both of the concepts emphasize the importance of enterprises’ voluntary contribution, in cooperation with their stakeholders, to social and environmental issues. It is claimed that through CSR, enterprises of all sizes can boost their business in a long-term run since CSR initiatives can help to build (and rebuild) trust in the focal companies, and to meet customers’ sustainable needs and expectations. Since CSR implementation can reconcile economic, social and environmental ambitions, it has gradually become an important concept both globally and within the EU.

Lantos (2001) has argued that CSR is “the organization’s obligation to maximize its positive impact and minimizes its negative effects in being a contributing member to society, with concern for society’s long-term needs and wants”.

Above all definitions, Carroll’s pyramid of Corporate Social Responsibility has received the most attention. In his article on Business Horizons (1991) “The pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders”, Carroll suggested that CSR includes four kinds of social responsibilities: economic, legal, ethical, and philanthropic. These four dimensions might be depicted as a pyramid. It was proposed that all these components have

always existed to some extent, but ethical and philanthropic responsibilities have only drawn significant attention in recent years (Carroll, 1991.).

In this article, Carroll states that “business organizations were created as economic entities designed to provide goods and services to societal members”, and profitability is the primary motive for entrepreneurship. As such, all other responsibilities are predicated upon the economic responsibilities of the business organization (Carroll, 1991.). Table 1 summarizes some important aspects concerning economic responsibilities. Legal responsibilities, which will be explained next, are also stated in Table 1.

Table 1. Economic and legal components of Corporate Social Responsibility (Carroll, 1991).

Economic Components (Responsibilities)	Legal components (Responsibilities)
<ol style="list-style-type: none"> 1. Profitability is the first priority 2. Maintaining a strong competitive position is an important target 3. Efficient operation is a must 	<ol style="list-style-type: none"> 1. It is important to obey the laws and other local regulations 2. A successful firm is the one that fulfills its legal obligations 3. Providing goods and services that meet minimal legal requirements is key to keep the firm operated

Along with economic responsibilities, firms are expected to comply with the laws and regulations imposed by the governments under which the enterprises are operating. In other words, companies are not supposed to engage in illegal practices in order to generate profits, but are expected to fulfill their economic missions within the framework of the law (Carroll, 1991.). The legal component is depicted as the next layer, followed by ethical and philanthropic categories, on the pyramid of CSR.

Ethical responsibilities embody those practices that are approved or disapproved by the society even though they are not stated in the law. This ethical aspect of CSR should direct the companies not only to avoid harm but also to do right. Ethics is closely connected to values and norms formed during the development of societies and cultures. Therefore, those ethical standards or expectations are not always defined alike in different societies. Carroll has argued that these ethical responsibilities are more ambiguous than legal requirements and hence more challenging for companies to anticipate and follow because they are not written law promulgated by governments. Though ethical category is depicted as the next layer of the CSR pyramid, it is discussed that there is an inherent link between ethical and legal responsibilities because ethical expectations can be seen to predict the emergence of new laws and regulations (Carroll, 1991.). Table 2 summarizes statements characterizing ethical and philanthropic responsibilities.

Table 2. Ethical and philanthropic components of Corporate Social Responsibility (Carroll, 1991)

Ethical Components (Responsibilities)	Philanthropic Components (Responsibilities)
1. Ethical norms go beyond laws and regulations 2. Ethical norms should be recognized and respected 3. Ethical norms must not be compromised in order to achieve corporate goals	1. Managers and employees should participate in voluntary and charitable activities in their local communities. 2. Providing assistance to the local educational institutions is a good practice 3. Contributing to those projects that improve the community's "quality of life" is important

Finally, philanthropic responsibilities encompass activities in response to the expectations of society that businesses be good corporate citizens. These practices may include volunteer work to promote human welfare, sponsorship to local

programs, donations to public and non-profit organizations, etc. Unlike ethical responsibilities, philanthropy is more discretionary and lack of engagement in voluntary actions is not perceived as irresponsible or unethical. However, there is always expectation from the community that the enterprises contribute to former activities. It has been argued that philanthropy is highly desired and appreciated but actually less important than the other three aspects (Carroll, 1991.).

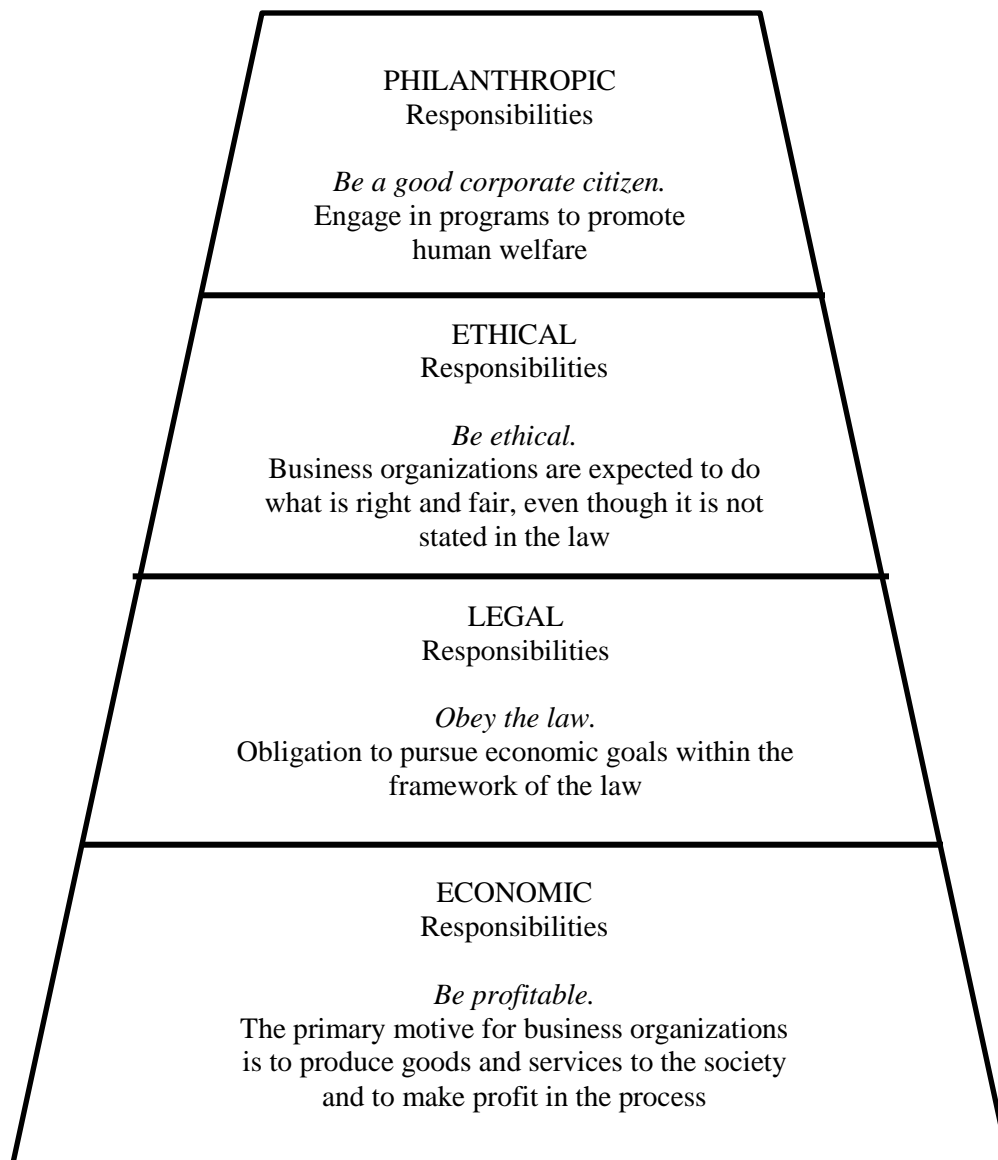


Figure 1. The pyramid of Corporate Social Responsibility (Carroll, 1991.)

Carroll (1991) has presented the pyramid of CSR, which depicted four types of responsibilities as shown in Figure 1. However, contrary to popular belief, these layers of responsibilities are not designed in any consecutive way, nor are they mutually exclusive. It is possible, for instance, that a firm satisfies the legal requirements, but fails to meet its economic missions (Griseri & Seppala, 2010, 11.). The aim of the pyramid is to portray that the total CSR embraces distinct components. When these components are assembled together, they constitute the whole CSR concept (Carroll, 1991.).

Although the above definitions appear quite different in level of abstraction, they all emphasize socially responsible companies' concerns, which go beyond short-term profitability. The author will develop the study based on four components, adapted from the explained definitions, which are economic, environmental, social and ethical factors. Those four aspects will serve as the main theme in the empirical research; the voluntary basis will be also taken into account.

2.1.2 Typical CSR initiatives in restaurant industry

Energy consumption is certainly one of the biggest issues in the industry these days. By limiting the use of electricity and gas, the restaurants will undoubtedly have the added benefit of lowering energy bill (Lelic, 2006.). Many leading fast food chains have taken action regarding energy reduction. As an example, Burger King has introduced a new energy-efficient restaurant in Germany that uses renewable energy to supply one-third of the restaurant's energy requirements. Consequently, the restaurant's energy costs are reduced by 45 percent annually ("Burger King Restaurant Cuts Energy Costs by 45%", 2010.). Not standing outside the mainstream of energy reduction, McDonald has also launched a "green" restaurant, which is estimated to use 25 percent less energy than a traditional McDonald's restaurant in Chicago, Illinois. This energy efficient system will probably be replicated in its 14 000 restaurants in America and worldwide. At least, Canada, France, and Brazil

are definite countries where such “green” technology will be employed (“McDonald’s Green Prototype Uses 25 Percent Less Energy”, 2009.).

Ethical sourcing of ingredients is becoming a mainstream among restaurateurs. They are starting to become much more aware of this issue, which refers to the act of supporting local farmers by ordering raw ingredients from them, or at least ensuring that the ingredients come from sustainable sources (Lelic, 2006.). The Crowne Plaza London hotel’s environmental policy is a representative example. Only suppliers that meet the hotel’s green credentials are accepted. In fact, the hotel’s car supplier, Green Tomato Cars, is an environmentally friendly company that uses the greenest cars to ensure the least damage to the environment is done (Mullen, 2008.).

Ethical treatment of employees is another key element of a successful CSR program from which the restaurateurs can benefit. In fact, the industry as a whole often relies on temporary and low-paid workforce. If the staff are trained professionally and receive fair treatment, they can turn into the restaurant’s biggest assets. There is no doubt that a happy and well-treated workforce will produce the most amazing food and service (Lelic, 2006.). Some examples of ethical treatment practices are offering equal opportunities to employees, improving work conditions, investing in the vocational and continuous training for the staff, etc.

According to a report by CSR News Europe, food waste management has been a major environmental issue for restaurant operations. Restaurateurs have realized that it would cost them less to manage food waste properly. Some common practices encouraged by environmentalists to reduce food waste are:

- Plan different sized portions properly
- Order perishable ingredients to meet demand
- Use first-in, first-out practice to minimize spoilage stocks
- Try using every edible cuts of meat, such as oxtail and short ribs, and fish since they cost less than popular cuts and might produce interesting new dishes if used creatively

- Serve vegetables with skin on if it is possible
- Re-use trimmings for stock, pickles, etc.

2.2 Consumer Behavior

Consumer behavior refers to the study of how a person buys products. However, it is only part of the definition. More specifically, the term is defined as “the mental, emotional, and physical activities that people engage in when selecting, purchasing, using, and disposing of products and services so as to satisfy needs and desires”. It involves the purchasing, and other consumption-related activities of people engaging in the exchange process (Hoyer & Macinnis, 2009, 3.). Echoing this, Solomon, Bamossy, Askegaard, and Hogg (2006), in the book “Consumer Behavior, A European Perspective” formulate the term as “the study of the processes involved when individuals or groups select, purchase, use or dispose of products, services, ideas, or experiences to satisfy needs and desires”. Adapting the consumption process presented by Solomon and his co-authors (2006), the author proposed a consumption process applied for restaurant industry (Figure 2.).

The restaurant industry embodies different characteristics in comparison to manufacturing industry. In food and beverage operations, the customer is present at both production and service process (Davis, Lockwood, Alcott, Pantelidis, 2008, 23.). The customer is involved in a series of events, or “meal experience”, when eating out. The meal experience includes both tangible and intangible aspects. Briefly, food and drink make up the tangible component; meanwhile the intangible component involves service, atmosphere, mood, and so on. Apparently, the meal experience starts when the customer enters the restaurant and ends when they leave. Nonetheless, it is just the main part of the meal experience because any feelings the customer has when he/she arrives at the restaurant or when he/she leaves should be also taken into account. In the restaurant industry context, those two components go hand in hand to present a total product to the customer. None of these can work out without the other (Davis et al., 2008, 24.).

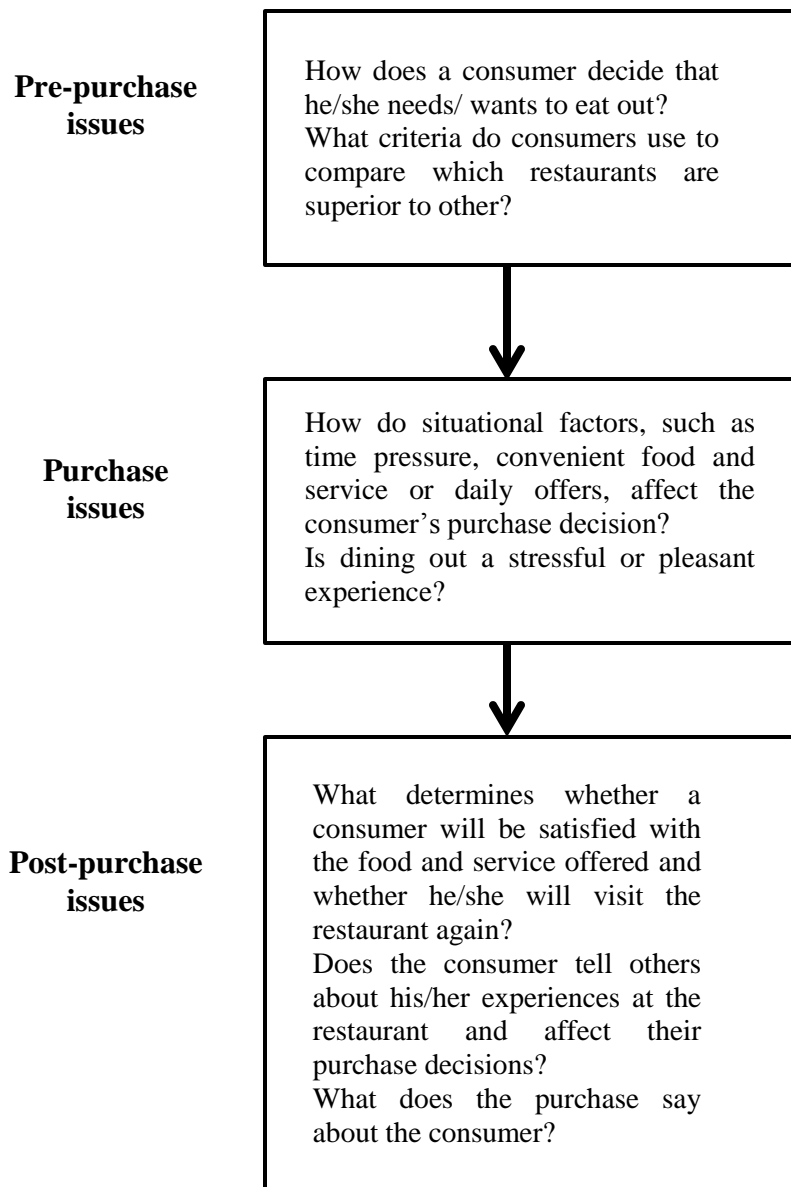


Figure 2. Some issues that arise during stages in the consumption process (Adapted from Solomon, et al. 2006, 7).

In order to attest if CSR actions have an impact on consumer behavior, it is essential to understand what factors affect consumer behavior in general. Consumer buying decisions are subject to be influenced from a variety of sources. Kotler, Amstrong, Saunders, and Wong (2001) suggest four factors that influence consumer behavior, which are cultural, social, personal, and psychological factors.

2.2.1 Cultural factors

Culture element refers to the beliefs, values, and views shared in a society. Every society has a culture and to what extent cultural factors influence consumer behavior is varied from society to society. No matter how different cultures are, it is the most basic influence on a person's behavior. In addition, culture acts as a guideline for identifying acceptable products, services, and behaviors (Wilkie, 1994, 20.).

Each culture group contains smaller **subcultures**, which are groups of people who share a particular value system or behavior. A customer does not necessarily belong to only one specific subculture but they can belong to several groups at a time. Gender, race, age, nationality, religion, etc. form bases for subculture (Wilkie, 1994, 20.).

Social class includes variables like occupation, income level, and educational degree. These components affect a person's lifestyle and therefore have a significant influence on consumption habits (Wilkie, 1994, 20.). Regular customers of a fine dining restaurant usually have a higher level of income than those who only eat at a fast food restaurant.

2.2.2 Social factors

Family plays an important role in developing a person's buying behavior since family is the very first society that strongly influences a person's values and habits (Wilkie, 1994, 20.). When doing advertising, the roles and influence of family members are studied in order to figure out at whom the ads will target. For example, if the child influences the buying decision of a particular product, the marketers will try to make an impact on children in their ads.

Reference groups and friends have potential influence on people who identify with them by providing guidelines to appropriate attitudes. A person's buying decision is not only affected by frequent discussion with friends, but also by observing their

behaviors in everyday life (Wilkie, 1994, 21.). A satisfied customer will surely recommend the restaurant to his/ her friends.

Roles and status - a person can hold different **roles and status** in society depending on to what organizations, clubs, groups he/ she belong. If the mother of a family is also working as a doctor, her buying decision will be affected by both roles. A restaurant suitable for families will be her first priority when planning to eat out with her husband and children; meanwhile nutrition may be paid a certain attention to in her buying decision.

2.2.3 Personal factors

Personal characteristics also have an impact on consumer behavior. Some major personal factors affecting a person's buying behavior are age, occupation, lifestyle, economic situation, personality and self-concept (Kotler et al., 2001, 198.).

Age - it is obvious that age has an influence on buying behavior. As the time passes by, a person's needs and wants change; therefore, it leads to the changes in buying behaviors (Kotler et al., 2001, 199.). Taste in food and age have a certain relation. While young people are often open to foreign cuisine, the elder prefer traditional food.

Occupation - an example of the influence of occupation on buying behavior is the difference between students and business people in choosing a restaurant. While students would prefer casual restaurants or bars, business people tend to choose a fine dining restaurant to discuss business with their partners.

Lifestyle - people belonging to the same culture, social class, or even occupation groups do not necessarily have the same lifestyle. Lifestyle is "a person's pattern of living as expressed in his/ her activities, interests, and opinions". For years, academics have tried to develop lifestyle classifications, which help in product development and advertising. An example of lifestyle classifications is "the

homebody”, who has strong attachment to his/ her childhood environment. They need to be in a social group and to be in touch with people (Kotler et al., 2001, 203.). This “homebody” category can be found at Kotileipomo Hämäläinen, a cafe shop located in Vaasa. It is a place where the retirees gather every morning to seek for warm relationships in their talking.

Economic Situation – Product choice is greatly affected by a person’s economic situation. Trends in personal income, savings and interest rates are studied by marketers of income-sensitive products. Consequently, they can decide if they need to redesign, reposition and reprice their products (Kotler et al., 2001, 200.). An obvious example is that people often spend less money on eating out after the Christmas holiday as the money has gone to presents and celebration during the holiday.

Personality and Self-Concept – A person’s buying choice is undoubtedly affected by his/ her own personality. Personality is defined as “the unique psychological characteristics that lead to relatively consistent and lasting responses to one’s own environment”. Some examples of personality traits are self-confidence, dominance, sociability, defensiveness, etc. (Kotler et al 2001, 204.). Customers who are high in sociability have a tendency to eat out regularly. A person’s self-concept is a term related to personality. What people possess identify their self-concept (Kotler et al, 2001, 204.). For instance, a student who sees herself as an active, outgoing and social girl will favor casual restaurants than fine-dining ones.

“*Locus of control*” is an important term that should be explained to help enlighten the relationship between CSR activities and consumer behavior. It is a part of the “personality and self-concept” factor and refers to the extent to which people believe in their ability to affect outcomes through their own actions (Rotter, 1966). On the one hand, people with internal locus of control believe that they have assertive influence over their lives and that their actions can lead to particular outcomes. On the other hand, people with external locus of control feel that they are relatively powerless and have little control over outcomes, and that external factors such as

coincidences and surrounding people will affect outcomes notably (McCarthy & Shrum, 2001.). Hence, it is expected that customers with an internal locus of control are more likely to react positively to CSR friendly restaurants. On the contrary, CSR related projects are not likely to have influence on customers with external viewpoints, who do not believe that they can affect greater outcomes through their activities.

2.2.4 Psychological factors

Four major psychological factors influencing a person's buying choices are motivation, perception, learning, and beliefs and attitudes.

Motivation - a person's buying motivation arises from their biological or psychological needs. When a need reaches to a sufficient level of intensity, it becomes a motive. Consequently, a motive drives a person to act in order to seek satisfaction (Kotler et al, 2001, 204.). People go to restaurants to satisfy not only their biological need (hunger), but also their psychological needs (belonging, esteem, etc.).

Perception – a motivated person's actions are guided by his/ her perception of the situation. Perception in this case is what an individual thinks about a particular restaurant's food and service. Two people motivated by the same need may not end up going to the same restaurant, as they are different in perception (Kotler et al, 2001, 208.). As an example, two hungry officers want to find something to eat for lunch. One of them may want to have a big pizza while the other would prefer vegetable salads because she thinks pizza is junk food.

Learning – people learn from experience. Learning is the interplay of *drives*, *stimuli*, *cues*, *responses*, and *reinforcement* (Kotler et al, 2001, 209.). For example, a couple has a *drive* for social need in Valentine's Day. In other words, they want to celebrate the day. A *drive* is "a strong internal stimulus that calls for action". When their *drive* leads them towards a specific *stimulus object* – in this case, planning to go out for dinner, it becomes a motive. Their response to the idea of going out for dinner is

conditioned by the surrounding *cues*, which are factors that determine the way they respond. An example of possible *cues* may influence their response to the idea of eating out is a special offer for couples in Valentine's Day of a restaurant. If everything goes perfectly on the day, i.e. great food and service, there is a great chance that they will re-visit the restaurant frequently. In other words, if the experience is rewarded, their response to the restaurant will be *reinforced* (Kotler et al, 2001, 209.). It should be noted also that customers will change their behavior through learning. For example, they will avoid crowded restaurants if they are in a hurry and just need something to eat quickly.

Beliefs and Attitudes – beliefs and attitudes are acquired through acting and learning. Restaurateurs should consider the beliefs customers formulate about the restaurant's food and service because they influence consumer behavior to some extent. If some of the beliefs are wrong and prevent purchase, the restaurant needs to take action to correct it (Kotler et al, 2001, 210.). For example, people who are on a diet will never come to a pizza restaurant because they believe the restaurant has nothing else except pizzas. In order to attract this group of customers, the restaurant can emphasize their salad offer in the ads. People's attitudes are formed based on their beliefs and they are difficult to change (Kotler et al, 2001, 2010). A particular fine dining restaurant is a perfect place for a person whose attitudes are "I have money and I only eat at a luxurious restaurant", "their restaurant has the best reputation in town", "being looked up to is important to me".

Consumer social responsibility, along with "*personal locus of control*", is an essential term, which should be explained in order to comprehend the effects of CSR initiatives on consumer behavior. The term can be defined as "the conscious and deliberate choice to make certain consumption choices based on personal and moral beliefs" (Devinney, Auger, Eckhardt, and Birtchnell, 2006). It means they support socially responsible restaurant by going there, or boycott antithetical restaurants by avoiding those ones. The positive influences of socially responsible behavior on business in the long run have been recognized among entrepreneurs. It is explained that the trust and

satisfaction of customers transform into customer loyalty and therefore the competitive position of the restaurant is enhanced (Solomon, et al. 2006, 18-19.).

2.3 The impact of CSR initiatives on several customer-related outcomes

In their recent study, Lichtenstein et al. (2004) argued that perceived corporate social responsibility has an effect on customer purchase behavior through customer-corporation identification. It is noted, “A way that CSR initiatives create benefits for companies appears to be by increasing consumers’ identification with the corporation ... [and] support for the company”.

Gupta (2002), with his research results, has provided evidence to support the popular view that when there is parity in price and quality, consumers would prefer the company actively engaging in CSR initiatives and their consumption related decisions are affected by this factor. As a result, he strongly supports corporate investments in CSR activities due to its convincing benefits to the business.

Maignan and Ferrell (2004) have concluded a direct positive relationship between CSR and customer loyalty in a managerial survey. From the retail perspective, CSR activities, for instance support for a non-profit cause or positive ethical practices, lead to “store loyalty, emotional attachment to the store and store interest”. Consequently, they result in a positive increase in the percentage of shopping done at the store and the amount of purchases (Lichtenstein et al., 2004.).

Other studies have attested the collective impact of multiple CSR strategies on consumer attitudes. For example, Brown and Dacin (1997) have examined the combined influence of various CSR actions, which are support for causes, contributions to the community, and environmental concern, finding that “CSR associations influence product attitudes through their influence on overall company evaluations”. Murray and Vogel (1997) have investigated the effect of associated CSR practices on consumers and presented similar findings. The CSR activities mentioned in the research are, for instance, environmental protection practices

(energy conservation), engagement in acts to promote human welfare, corporate social marketing (electric safety education for schoolchildren), contribution to the economic development of the region, and consumer protection program. Their research found that CSR programs lead to improved customer attitudes towards the firm, including beliefs about the company's honesty, consumer responses, and increased support for the firm in labor or government disputes. Correspondingly, Bhattacharya and Sen (2001) argued that a company's efforts in multiple CSR domains, for example community involvement, support for ethical involving issues like women, ethnic minorities, gays and lesbians, disabled minorities, and so on had a direct effect on the attractiveness of the company's products, in addition to a positive effect on company evaluations by customers. Bhattacharya and Sen (2004) have noted that consumers engaged in positive word of mouth about firms that were committed to CSR actions. Studies by Barone, Miyazaki, and Taylor (2000), Bhattacharya and Sen (2001), and Creyer and Ross (1997) suggested that consumers are willing to actively support companies committed to cause-related marketing, environmentally friendly practices and that CSR practices have an impact on customer purchase intention. Overall, these studies provide evidence supporting the suggestion that socially responsible companies are likely to be perceived more favorably by consumers than less socially responsible companies.

3 RESEARCH METHODOLOGY

In this study, both qualitative and quantitative research methods are employed. For the quantitative research, one hundred respondents were chosen to fill out one hundred questionnaires, which ask about their basic backgrounds and their possible behavior towards CSR related issues. In order to go deeper in CSR practices in restaurants, three restaurateurs were interviewed about different aspects of CSR in their restaurant.

3.1 Quantitative methods

Quantitative research method was employed in this research because of following reasons. Firstly, it is one of the most widely used techniques to reach a large population and to identify and describe the variability in different situations (Saunders, Lewis & Thornhill 2009, 361 - 362.). Secondly, the collected data later on can be analyzed effectively through SPSS program.

The target was to get one hundred restaurant customers, who were living in Vaasa to answer the same set of questions with limited answer options. The questionnaire included fifteen questions. The first three questions were about the respondents' general backgrounds. The three questions coming next were to find out their buying habits and their personal traits. The remaining questions went deeper into whether CSR related activities had any impact on their buying behavior.

The fact that there are numerous factors affecting customer attitude and various ways to implement CSR in the restaurant field makes it problematic for the author to design an effective questionnaire to measure the extent of the influence of CSR programs on customer behavior. Therefore, prior to sending out the actual questionnaires, five persons were chosen for a pilot test to assure that the respondents have no misunderstandings about the nature of the questions. After that, the questionnaire was adjusted and presented to the supervisor of the thesis for comments and approval. Within almost one week, from August 1st 2012 to August 7th 2012, the author

succeeded to ask one hundred customers at Magokoro restaurant, whose address is Rewell Center 201, 65100, Vaasa to fill out one hundred questionnaires. The survey was conducted at Magokoro restaurant because it was most convenient for the researcher to hand out the questionnaires at her workplace. The chosen respondents were asked to fill out the questionnaires while waiting for their food to be ready. The researcher always stayed in sight so that she could come and explain if the respondents had any confusion with the questions. Hence, the results collected were all considered in the analysis. The respondents were chosen based on their differences of age, and gender. However, due to the fact that many customers over 50 years old or those under 20 years old do not speak very much English, the research could only gather limited number of answers from those groups.

3.2 Qualitative methods

In order to find out the answer for the research question about the extent of CSR implementation in Vaasa, three restaurant owners were asked for personal interviews ranging from twenty to thirty minutes. The restaurants were chosen based on the differences of their business ideas. The fundamental reason for this is to compare the extent of CSR implementation of those three different restaurants. Qualitative research method was chosen because there is hardly a way to form a questionnaire, which will gather all necessary information the author needed. Besides, as mentioned in the second chapter, there is no agreed-upon definition given for the term CSR and there are a great deal of CSR initiatives in the restaurant industry; therefore, open-ended questions are the most effective method to obtain information about CSR related activities of each restaurant.

Three structured interviews were carried out within one month, August 2012. In structured interviews, guiding questions were prepared beforehand to assure that all essential aspects would be discussed. The interviews started with general questions about the restaurants. Each specific point regarding economic dimensions, environmental dimensions, social dimensions, and ethical dimensions was introduced

and discussed respectively. The interviewees were encouraged not only to answer the given questions but also to express their opinions about relevant issues. During the interviews, additional questions were asked to gather as much valuable information for the research as possible. Among three restaurant owners, one refused to answer those additional questions. The interviews were recorded properly to serve the later analyzing process.

3.3 Validity and reliability

Validity and reliability of a research determine its practical value in reality. If a research is repeated and generates the same results every time, we say that the research has high level of reliability. In other words, reliability refers to the consistency of the research (Saunders, Lewis & Thornhill 2009, 156.). Meanwhile, validity is concerned with the “honest” nature of the research conclusion, i.e. the findings are really about what they appear to be about (Saunders, et al., 2009, 157.).

There are four threats to reliability. The first one is **participant error** (a research conducted on different occasions yields different findings). The second threat is **participant bias** (the respondent says dishonest answer because of certain reasons). **Observer error** is the third threat. It means that different researchers may have different ways to carry out the research. Finally, there is **observer bias**, which refers to different ways of interpreting the findings by different researchers. (Saunders, et al., 2009, 156-157)

Threats to validity can be history, testing, instrumentation, mortality, and maturation. **History**, in this case, means that if an event happens when the research is conducted, it may affect the respondents somehow. **Testing** refers to the fact that the results are likely to be affected if the respondents believe that the research may disadvantage them in some way. **Instrumentation** is a threat to validity when there is a change in policy between the time the first and second batches of interviews are carried out. **Mortality** refers to participants dropping out of studies. **Maturation** is similar to

instrumentation. It is also about external events occurring during the research period may have an effect on the respondents. (Saunders, et al., 2009, 157)

In this thesis, most of the threats above are eliminated; therefore, the research is believed to stay reliable and valid. In quantitative research, the questionnaire was designed in simple English language so that the respondents could understand the questions easily the way the researcher wanted them to. All of the answers stayed anonymous, which avoided the possibility that the respondents gave false answers to keep their face. The respondents were given as much time as they needed to fill out the questionnaires so that they would have enough time to think carefully about the answers. In qualitative research, the restaurateurs were asked beforehand if they would like to stay anonymous or not. The researcher also explained in advance the main purpose of the interview, and guaranteed that the findings would only serve academic purposes. Hence, the interviewees would have given truthful answers and the validity of the findings is reinforced because what they said during the interviews would not affect them negatively in any way. During the interviews, the researcher did not use any complicated academic terms, except explaining briefly at the beginning of each interview what CSR is about, to avoid confusing the interviewees. The researcher explained clearly what she meant in each question so that the interviewee could understand the idea correctly.

4 ANALYSIS OF EMPIRICAL DATA

This chapter will analyze and discuss the research findings to find the answers for the research questions introduced in chapter one. The first part of this chapter will discuss the answers from the qualitative research interviews with three restaurant owners. In the second part, SPSS program was utilized to analyze data collected from the quantitative research, which were conducted with one hundred restaurant customers.

4.1 Analysis of the qualitative research

4.1.1 Introduction of the restaurants

1h+keittiö is well located in the center of Vaasa. The restaurant was opened by Fredrik Ols in January 2012. The restaurant is open for breakfast, lunch and dinner. Lunch menus are changed every day from Monday to Friday. Salad, sandwiches, special tea and coffee, different kinds of sweets are their popular items. The seating capacity of the restaurant is 46 inside plus 30 in the outside terrace. Their main customer groups vary between summer and winter season. In the summer, most of their customers are young people and in the winter, they have more elderly coming to eat.

Panorama is a buffet restaurant, which is located in the center of Vaasa and open for lunch only. Mats Sabel is the owner and the chef of Panorama restaurant. The food is Finnish cuisine. Catering is another part of the business apart from the usual lunch buffet. The total seats are around 180 including 88 seats inside and 90 seats outside. The main customer groups are workers from surrounding offices.

The third restaurant is an **Asian buffet restaurant** located in the center of Vaasa. Since the owner would like to stay anonymous, the restaurant will be referred to as **Restaurant C** throughout the thesis. The restaurant was opened by a group of graduates who had common interest in restaurant business. The restaurant has 30

seats in total. The food is Asian cuisine. Shoppers and office workers are their main customer groups.

Not surprisingly, none of the restaurant owners interviewed was familiar with the term Corporate Social Responsibility, and they did not have any obvious CSR programs at the time the interviews were conducted.

4.1.2 Economic factors

As argued in the theoretical chapter, all other responsibilities are based on economic responsibilities of the business organization. Thriving to explore whether a restaurant is generating good profitability through an interview is a challenge in reality. Ih+keittiö has approximately 150 to 250 guests per day, depending on the day. Panorama has round 200 guests per day and the number goes up in the summer time when the terrace is open. In the high seasons, i.e. summer and Christmas holiday, they receive around four catering orders each month. The average number of guests of restaurant C is 30 to 50 guests per day. All of the interviewees claimed that the business is going well. Additionally, by comparing the size of the restaurants and their average number of guests per day, it is possible to say that their business is generating profit to some extent.

When asking the interviewees' opinions whether local restaurants, for examples pizzerias, selling food at a surprisingly cheap price can gain much profit, the researcher received expectedly similar answers. The main reason behind this question is to conclude if those kinds of restaurants, which have been opened a lot in Vaasa in the recent years, are being operated profitably. If being asked directly, those restaurant owners obviously would not reveal their current financial situation. However, the interviewees would know the answer because they are also running a restaurant and they would know if a restaurant could gain profit by selling food at a cheap price like that. Three interviewees all agreed that they must gain some profit to keep the place running, but it is certainly not a big amount. "They cannot get much

profit by selling pizzas for five euros or under, not to mention that salad buffet is always included in the price”, Mr Sabel said.

The interviewees all shared the same opinion that those mentioned restaurant owners probably fail to pay taxes since their food price is very cheap. In addition, “they may pay low salary in cash to their employees so that they do not have to pay taxes”, Mr Ols said. The owner of restaurant C shared that “normally, those restaurants often hire family members to reduce costs”.

4.1.3 Environmental factors

There are numerous ways to attain sustainability development in the restaurant industry, especially when modern technologies are introduced continuously. Therefore, working with a consultant organization brings the restaurant practical and up-to-date advice regarding sustainability issues. Among the three local restaurants, only Panorama is currently working with Österbottens Företagarförening, a consultant company that provides its customers with advice about various issues. However, Mr Sabel has not enquired about sustainability development advice before. The other restaurateurs found it not necessary to employ a consultant company at the moment. To conclude, restaurateurs in Vaasa have not paid high attention to sustainability issues in general in their restaurants.

Nevertheless, organic food ingredients, a specific aspect of sustainability development, appear to interest the interviewed restaurateurs. Forty per cent of food ingredients being used at Ih+keittiö are organic. At Panorama restaurant, the figure is twenty per cent. The owner of restaurant C said that ten to twenty per cent of their food ingredients are organic. These are positive figures showing that organic food ingredients gain more and more interest from restaurateurs in Vaasa.

Food waste, another important issue in restaurant industry in the recent years, was discussed at the interviews. Mr Ols was confident to say that they rarely have any food waste. For fresh ingredients, they try to order a minimum amount every time so

that nothing will get spoiled. Besides, the vegetables they are using are from local farmers; therefore, it stays fresh longer than vegetables from Southern Finland, for example, Mr Ols said. At restaurant C, they have to throw away about ten percent of the food every day because it is difficult to predict exactly how much to cook for a buffet table, the owner said. What they throw away is the leftover food that cannot be reused the next day. At Panorama restaurant, approximately fifty kilos of garbage, including food waste and other kinds of garbage, are disposed every day. The owner of restaurant C and Mr Sabel shared the same idea that the only thing they can do to reduce this amount is to do the planning better because they have done what they could to keep the amount of food waste as low as possible. However, it is a challenging job because the average number of guest per day sometimes varies a lot.

4.1.4 Social factors

Supporting for a non-profit program is one of the most common CSR activities in hospitality industry. The interviewees were asked some questions regarding their possible contribution to the local community.

The results collected were not very surprising. None of the three restaurants has contributed officially to any charity organization so far. Mr Sabel said he sometimes supported small things for local charity groups, but he did not do it on behalf of the restaurant. It was more like his own action, and he did not think much about it, he said. The other restaurants gave the same response that they had not had a chance yet to contribute to the local community. However, there were two different views about what they will do regarding this matter in the future. Mr Ols was interested in what they might do to contribute to local charity groups and events. “When there is an opportunity, we will have a look at this. This is something that we have to care about”, he excited. The owner of restaurant C was more cautious about what charity groups or events they will sponsor, and they might think about it only when a representative of those groups comes to talk to them. “We will also have to think about what kind of charity group it is”, he said. The profitability is their first priority,

therefore they might only contribute to the cause if the action brings them some advantages, he added.

4.1.5 Ethical factors

Mr Ols was confident to claim that most of their food ingredients come from local farmers and local bakeries because, he explained, it is one of their main business ideas that the ingredients are fresh and organic. Some salmon used at the restaurant is from Norway; otherwise, all other fish is local. All of the vegetables and herbs are from local farmers. Mr Ols explained that ordering from local companies has many advantages. The ingredients last longer even though they are a little more expensive because the transportation is faster and it is possible to order it daily. Moreover, salads can be kept fresh for three days compared to those from South of Finland or EU, which last for one day only. Meanwhile, the owner of the Asian restaurant was not sure whether their vegetables and meats are from local area. He said their supplier was a local company, but he did not know exactly from where they get vegetables and meats. Sixty to sixty five percent of Panorama restaurant's raw ingredients are from local farmers. It is a positive sign that restaurants in Vaasa are not staying out of the ethical sourcing of ingredients trend.

The current number of employees at 1h+keittiö was four, including one extra employee. One of them is Russian and the others are Finnish. The youngest one is twenty years old and the oldest one is thirty. Some of them are good friends of the owners as they worked at other restaurants together before.

At Panorama restaurant, there are currently six full-time employees, three females and three males, and four extra employees. The full-time employees are Swedish speakers, while four part-timers come from different countries. The age range is from twenty-four to fifty-four years old.

At restaurant C, four young graduates who opened the restaurant are covering every job. The oldest one is thirty years old. There are three males and a female in the group, and they all come from the same country.

All three restaurateurs affirmed that they had no racial discrimination when recruiting new employees. Mr Ols explained that his full-time employees are also his former co-workers. He offered them the job because he knows their ability. The extra employee was hired based on her professional skills, not her nationality. In the case of restaurant C, the four owners are friends who have known each other for a long time before they opened the restaurant. At Panorama restaurant, apart from six full-time employees who have been working since the restaurant first opened, students from different countries are given equal opportunities for a part-time job.

Communication is taken seriously at 1h+keittiö to make sure that the staff feels comfortable about the working place and the job. Listening is another important skill to get to know the staff better, Mr Ols pointed. Besides, they always go on a picnic or travel as a group when there is a convenient occasion. Paying salary on time and according to the laws is assured to keep the staff working enthusiastically, Mr Ols highlighted.

Apparently, communication is a common means used to get closer to the staff. Mr Sabel had the same opinion with Mr Ols. His tips to motivate the staff include some simple practices. He tries to be a nice boss who knows how to listen to the staff. Paying good salary and holiday tips is another important thing, he said. Besides, to make everyone get closer, he arranges parties when it is possible.

Things are a little bit different at restaurant C. The representative said that they do not need to be motivated because they are all equal owners, so they all have responsibility over the business. When being asked if they often do some activities together in order to understand each other more, he agreed that they have parties and travel together when they have time.

4.2 Analysis of the quantitative research

As mentioned in chapter three, one hundred respondents participated in the quantitative research. The first six questions are about the respondent's background. In particular, they were meant to gather these specific details: the respondent's age, gender, annual income, how often they buy organic food, their attitude towards the environment, who they think is responsible for the development of society.

One of the author's purposes was to compare how people at different ages react to CSR related activities. Therefore, five age groups were created: under 20 years old, from 21 to 30, from 31 to 40, from 41 to 50, and over 50. As the results were collected, 14 percent of the respondents are under the age of 20, 49 percent belong to the second age group (21-30), 23 percent are from 31 to 40 years old, 8 percent are from 41 to 50, and lastly 6 percent of the respondents are over 50.

The females constitute 61 percent of the respondents. Three annual income groups were less than 20 000€, from 20 000€ to 40 000€, and more than 40 000€. About 45 percent of the respondents chose the second alternative (20 000€ - 40 000€), 31 percent earned less than 20 000€ per year, and 24 percent claimed to earn more than 40 000€ yearly.

The fourth question asked the respondents how often they buy organic food. Five alternatives to choose from were "more than once a week", "once a week", "once a month", "rarely", and "never". Some 29 percent of the respondents answered they rarely buy organic food. About 26 percent of the respondents never buy it. Meanwhile, approximately 24 percent of the respondents buy organic food once a month. Some 17 percent of the respondents buy organic food once a week, and only 4 percent of the respondents answered that they buy organic food more than once a week.

The following question was to find out about the respondent's personality. The respondents were asked to give their opinion about the statement "a single person can

improve the quality of the environment through his/ her daily simple actions”. Five answers were “extremely disagree”, “disagree”, “neutral”, “agree”, and “extremely agree”. The answer “agree” was chosen by 66 percent of the respondents. Some 17 percent of the respondents chose to stay neutral. Exactly 8 percent of the respondents answered that they “extremely agree”, while 9 percent disagreed about this statement.

The sixth question was meant to find out how many respondents think that restaurants are responsible for contributing to the community. Respondents were able to choose multiple answers alternatives. The answer possibility “enterprises” was chosen 27 times.

The empirical study reveals these key findings. First, there is noticeable difference among the respondents in their reactions to CSR related activities in restaurant industry. Secondly, not every CSR initiative can affect customers in an expected manner. However, CSR initiatives do have a positive impact on customer behavior in general.

The question “Do you go to a restaurant that offers much lower price than its competitors?” was meant to find out if customers would avoid a restaurant not fulfilling its economic responsibilities. A large number of respondents (48 percent) remained neutral when being asked this question. The number of respondents supporting a restaurant offering much lower price than its competitors and those avoiding that restaurant were equal. The reason for this was “it depends on the quality of the food and service at that restaurant”, as one respondent explained.

Offering different sized portions is one of the CSR practices to reduce the amount of daily food waste. This practice gained positive reaction from customers. Indeed, 55 percent of the respondents answered “likely”, and 9 percent answered “extremely likely” when being asked “Would you like to be offered different sized portions of every item available on the menu?”

Another CSR activity related to environmental issues is utilizing organic food ingredients. Although 45 percent of the respondents answered “neutral” to the question “When eating out, how important is it to you that the food is made from organic sources?”, using organic food ingredients does help restaurants to influence customer positively since 37 percent of the respondents answered it is “important” and 2 percent of the respondents answered it is “extremely important”.

To some extent, ethical source of ingredients is a good practice to attract certain customers. Among one-hundred respondents, two “always” ask about the origin of the food ingredients when eating out, and twenty respondents “sometimes” do this. Most of the respondents (41 percent) “rarely” ask this kind of question, and 37 percent of the respondents “never” do this.

Ethical treatment to the staff is an effective practice to affect customer behavior. Indeed, 60 percent of respondents said that the staff’s behavior affects their mood “very much” when dining out, 38 percent said it affects them “moderately”, 2 percent answered their mood is not affect much by the staff’s behavior. None of the respondents chose the answer alternative “not at all”.

The finding showed that customers have a favorable attitude towards restaurants doing good activities to the community like sponsoring to the local charity groups, donating money to non-profit programs, etc. Approximately 52 percent of the respondents would be “likely” to support that kind of restaurant, and about 3 percent would be “extremely likely” to do so.

Customers tend to pay more for the food and service at a socially responsible restaurant. When it came to the question “Are you willing to pay more for the food and service at that restaurant?”, some 41 percent answered they would be “likely” to pay, and 1 percent would be “extremely likely” to do so. Meanwhile, 36 percent chose to stay “neutral” and 22 percent would be “unlikely” to pay more.

Among 42 respondents who would be willing to pay premium price, six chose to pay “less than 5%”, thirty-four would pay a “5-10%” premium, and two answered that they would pay “more than 10” more.

CSR activities benefit restaurants by gaining customers’ loyalty. If a restaurant stops doing those good activities to the community, customers are more likely to boycott the restaurant. In fact, 20 percent of the respondents answered that they would be “unlikely” to visit the restaurant regularly, one respondent would be “extremely unlikely” to come back to the restaurant. Most of the respondents (62 percent) stayed “neutral” because they also take into account the quality of food and service the restaurant offers.

4.2.1 Age

This section will analyze how people of different age groups react to CSR practices in the restaurant field.

Table 3. Age groups and their reaction to the question ”Do you go to a restaurant that offers much lower price than its competitors do?”

	Going to a restaurant offering much lower price than its competitors					Total
	Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Age group up to 20	1	3	4	6	0	14
21-30	0	10	25	13	1	49
31-40	0	4	16	3	0	23
41-50	1	5	0	2	0	8
over 50	0	2	3	1	0	6
Total	2	24	48	25	1	100

Table 3 shows that people from 41 to 50 years old appeared to avoid a restaurant not fulfilling its economic responsibilities the most. At least 75 percent of the respondents from 41 to 50 answered that they would be “unlikely” or “extremely unlikely” to visit a restaurant offering much lower price than its competitors do.

About 33 percent of the respondents over 50 shared the same opinion. Unexpectedly, people under 20 years old (29 percent) ranked higher than people from 21 to 30 (20 percent) and people from 31 to 40 (17 percent) in the level of avoiding a restaurant neglecting its economic responsibilities.

Table 4. How customers of different age groups react to the idea of being offered different sized portions available on the menu

		Prefer to be offered different sized portions				Total
		Unlikely	Neutral	Likely	Extremely likely	
Age group	up to 20	2	4	8	0	14
	21-30	9	9	23	8	49
	31-40	4	2	16	1	23
	41-50	1	1	6	0	8
	over 50	4	0	2	0	6
Total		20	16	55	9	100

Exactly 75 percent of the respondents from 41 to 50 support the idea of being offered different sized portions of every item available on the menu (Table 4). Nearly 73 percent of the respondents from 31 to 40 answered that they are “likely” or “extremely likely” in favor of this idea. The respondents from 21 to 30 ranked third in the level of supporting the mentioned idea. About 63 percent of them chose “likely” or “extremely likely” answer. Almost 57 percent of the respondents under 20 answered “likely” or “extremely likely”. Apparently, the respondents over 50 are least appealed by this offer (only 33 percent chose “likely” or “extremely likely” answer). Shortly, when a restaurant plans to reduce the amount of food waste by re-sizing food portions or offering different sized portions, the action will gain supports from almost customers. More specifically, it would interest customers from 41 to 50 most, followed by customers from 31 to 40.

Table 5. How important is it to people of different age groups that the food is made from organic ingredients?

	It's important the food is made from organic ingredients					Total
	Extremely unimportant	Unimportant	Neutral	Important	Extremely important	
Age group up to 20	0	1	6	6	1	14
21-30	2	6	23	17	1	49
31-40	1	5	9	8	0	23
41-50	0	0	3	5	0	8
over 50	0	1	4	1	0	6
Total	3	13	45	37	2	100

For 63 percent of the respondents from 41 to 50 years old, it is “important” that the food is made from organic ingredients (Table 5). The respondents under the age of 20 agreed on this (almost 43 percent chose the answer alternative “important”, and 7 percent answered it is “extremely important”). The respondents from 21 to 30 and those from 31 to 40 had equal results (35 percent of respondents in each group chose the answer “important”). However, none of the respondents in the age group 31 to 40 gave the answer “extremely important” while for 2 percent in the age group 21 to 30 said that it is “extremely important” that the food is made from organic sources. The answer “important” was chosen by only 17 percent of respondents over the age of 50. Taken together, organic sources of ingredients are most important for people from 41 to 50, followed by those under the age of 20. People from 21 to 30 years old ranked next in this scale, followed by people from 31 to 40. People over 50 years old appear to care least about organic sources of ingredients.

Table 6. How often customers of different age group ask about the origin of the food ingredients

	Asking about the origin of the ingredients				Total
	Always	Sometimes	Rarely	Never	
Age group up to 20	0	0	5	9	14
21-30	1	7	19	22	49
31-40	1	6	11	5	23
41-50	0	4	4	0	8
over 50	0	3	2	1	6
Total	2	20	41	37	100

The respondents over the age of 41 appear to concern the most about the origin of the food ingredients when dining out (Table 6). In particular, half of 41 to 50 year-old respondents (4 out of 8) report that they “sometimes” ask about the origin of the food ingredients and half of the respondents over 50 years old (3 out of 6) share the same answer. Meanwhile, the respondents under 20 years old “rarely” or “never” ask this kind of question. Only 14 percent of the respondents in the age group 21 to 30 chose “sometimes” as their answer. Some 2 percent of the respondents in this age group chose “always”. The rest of the group chose “rarely” or “never”. Nearly 25 percent of the respondents from 31 to 40 answered that they “sometimes” ask this question. The others in this age group, except for one person answered “always”, chose “rarely” or “never” options. The figures indicate that young people care less about the origin of the food ingredients when eating out than older people do. People under 20 concern least about this matter, followed by people from 21 to 30, followed by people from 31 to 40. People over 41 years old care most about the origin of the food ingredients. Therefore, CSR activities related to ethical source of food ingredients would affect customers in the above order.

Table 7. The influence of the staff's behavior on people of different age groups

		The influence of the staff's behavior			Total
		Very much	Moderately	Not much	
Age group	up to 20	10	3	1	14
	21-30	29	20	0	49
	31-40	11	11	1	23
	41-50	6	2	0	8
	over 50	4	2	0	6
Total		60	38	2	100

The respondents from the age of 41 to 50 are affected by the staff's behavior the most. Indeed, about 75 percent chose "very much" as their answer (Table 7). It is followed by respondents under the age of 20 (around 71 percent chose "very much" answer). For 67 percent of over 50 year-old respondents, 59 percent of the respondents from 21 to 30, and 48 percent of the respondents from 31 to 40, the staff's behavior affects their mood "very much" when eating out. The answer possibility "moderately" was chosen by 21 percent of the respondents under the age of 20, 41 percent of the respondents from 21 to 30, 48 percent of the respondents from 31 to 40, 25 percent of the respondents from 41 to 50 and 33 percent of respondent over the age of 50. For 7 percent of the respondents under the age of 20 and 4 percent of the respondents from 31 to 40, the staff's behavior does not affect their mood much when dining out. Overall, ethical treatment of employees has an influence on customers whose age is from 41 to 50 the most. It is followed by the age group "under 20", "over 50", "21 to 30", and "31 to 40" respectively.

Table 8. Age groups and how much they support a restaurant doing good activities to the community

		Supporting restaurants doing good activities				Total
		Unlikely	Neutral	Likely	Extremely likely	
Age group	up to 20	1	4	8	1	14
	21-30	3	19	25	2	49
	31-40	1	8	14	0	23
	41-50	3	2	3	0	8
	over 50	0	4	2	0	6
Total		8	37	52	3	100

Almost 61 percent of the respondents from 31 to 40 years old indicated that they would be “likely” to support a restaurant doing good activities to the community (Table 8). About 51 percent of the respondents from 41 to 50 years old, 38 percent of the respondents from 21 to 30, 36 percent of the respondents over the age of 50, and 33 percent of the respondents under the age of 20 agreed on this. About 7 percent of the respondents under 20, and 4 percent of the respondents from 21 to 30 years old said they would be “extremely likely” to support this kind of restaurant.

Table 9. How people of different age group would be willing to pay for the food and service at a CSR friendly restaurant.

		Willing to pay premium price				Total
		Unlikely	Neutral	Likely	Extremely likely	
Age group	up to 20	1	6	7	0	14
	21-30	12	18	18	1	49
	31-40	4	9	10	0	23
	41-50	4	0	4	0	8
	over 50	1	3	2	0	6
Total		22	36	41	1	100

Table 9 indicates that respondents from 41 to 50 years old and those under 20 years old tend to pay premium price the most (50 percent vs. 50 percent). About 43 percent of respondents from 31 to 40, 37 percent of respondents from 21 to 30, and 33 percent of respondents over 50 years old answered that they would be “likely” to pay premium price for the food and service at the mentioned restaurant. For 2 percent of the age group “21-30”, they would be “extremely likely” to do so.

Table 10. How much more would people of different age groups be willing to pay?

	How much more is resonable?			Total
	less than 5%	5 - 10%	more than 10%	
Age group up to 20	1	6	0	7
21-30	2	16	1	19
31-40	3	6	1	10
41-50	0	4	0	4
over 50	0	2	0	2
Total	6	34	2	42

All of the respondents from 41 to 50, and those over 50 years old who would be willing to pay premium price chose to pay a “5-10%” premium (Table 10). Among seven respondents under the age of 20, one of them chose to pay “less than 5%” more, and the others chose to pay “5-10%” more. Although respondents from 21 to 30 years old, and those from 31 to 40 had multiple choices, most of them stuck to the answer “5-10%”. This means “5-10%” is the most reasonable rate for the restaurant to raise the price.

Table 11. Age groups and customer's loyalty

		Customer's loyalty					Total
		Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Age group	up to 20	0	4	9	1	0	14
	21-30	1	8	29	10	1	49
	31-40	0	3	16	4	0	23
	41-50	0	2	6	0	0	8
	over 50	0	3	2	1	0	6
Total		1	20	62	16	1	100

The figures (Table 11) show that the respondents over 50 years old (50 percent) would be most “unlikely” to come back regularly to the restaurant that stops doing good activities to the community. Almost 29 percent of the respondents under the age of 20 shared the same opinion. It is followed by the respondents of the age group “41-50” (25 percent), “21-30” (16 percent), and “31-40” (13 percent) respectively. About 2 percent of the age group “21-30” said they would be “extremely unlikely” to come back to the restaurant regularly.

4.2.2 Gender

In this section, collected answers from two gender groups will be analyzed to find out if males and females react differently to various CSR activities.

Table 12. How males and females responded to the question “Do you go to a restaurant that offers much lower price than its competitors?”

		Going to a restaurant offering much lower price than its competitors					Total
		Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Gender	Male	0	9	23	7	0	39
	Female	2	15	25	18	1	61
Total		2	24	48	25	1	100

Almost 60 percent of the male respondents chose to stay neutral in the question “Do you go to a restaurant that offers much lower price than its competitors?”, and 41 percent of the female respondents had the same decision (Table 12). Females ranked higher than males not only in the level of “likely” or “extremely likely” going to the restaurant offering much cheaper price than its competitors (31 percent vs. 18 percent) but also in the level of “unlikely” or “extremely unlikely” going to that restaurant (28 percent vs. 23 percent). It is concluded that females show higher tendency of avoiding restaurants that do not fulfill their economic responsibilities than males.

Table 13. How males and females reacted to the idea of being offered different sized portions available on the menu

		Prefer to be offered different sized portions				Total
		Unlikely	Neutral	Likely	Extremely likely	
Gender	Male	12	6	21	0	39
	Female	8	10	34	9	61
Total		20	16	55	9	100

About 70 percent of the female respondents and 54 percent of the male respondents answered that they would be “likely” or “extremely likely” to welcome the idea of being able to order different sized portions (Table 13).

Table 14. How important it is to males and females that the food is made from organic ingredients

		It's important the food is made from organic ingredients					Total
		Extremely unimportant	Unimportant	Neutral	Important	Extremely important	
Gender	Male	1	8	20	9	1	39
	Female	2	5	25	28	1	61
Total		3	13	45	37	2	100

The findings (Table 14) also reveal that it is more important to females that the food ingredients are organic than to males (48 percent vs. 26 percent). Obviously, females would be more affected by CSR activities related to environmental responsibility than males.

Table 15. How often males and females ask about the origin of the food ingredients when eating out

		Asking about the origin of the ingredients				Total
		Always	Sometimes	Rarely	Never	
Gender	Male	0	8	12	19	39
	Female	2	12	29	18	61
Total		2	20	41	37	100

There are no significant differences between males and females in their answer to the question “Do you ask about the origin of the food ingredients when eating out?” (Table 15). The answer “sometimes” was chosen by 20 percent of male customers and by 20 percent of female customers. Two female respondents said they “always” ask this question, whereas no male respondents do.

Table 16. How the staff’s behavior affects males and females

		The influence of staff’s behavior			Total
		Very much	Moderately	Not much	
Gender	Male	19	18	2	39
	Female	41	20	0	61
Total		60	38	2	100

Meanwhile, 67 percent of female customers and 49 percent of male customers said their mood is “very much” influenced by the staff’s behavior when dining out (Table 16). For 33 percent of female respondents and 46 percent of male respondents, the staff’s behavior affects their mood “moderately”. For 5 percent of male respondents, the staff’s behavior does not affect their mood much. None of the female respondents chose the answer possibility “not much”. This means females are more sensitive

about the behavior of the staff than males are. In conclusion, fulfilling ethical responsibility would help the restaurant to attract more female customers.

Table 17. How much males and females support a restaurant doing good activities to the community

		Supporting restaurants doing good activities				Total
		Unlikely	Neutral	Likely	Extremely likely	
Gender	Male	4	22	12	1	39
	Female	4	15	40	2	61
Total		8	37	52	3	100

The findings show that a restaurant doing good activities, e.g. sponsoring to charity, donating money to non-profit programs, etc. would be likely supported by females rather than by males (Table 17). In particular, as many as 69 percent of female respondents expressed that they would “likely” or “extremely likely” support the mentioned restaurant by coming there to eat if they know about good activities the restaurant is doing. Meanwhile, only 27 percent of male respondents shared the same view.

Table 18. How much males and females would be willing to pay premium price

		Willing to pay premium price				Total
		Unlikely	Neutral	Likely	Extremely likely	
Gender	Male	9	18	12	0	39
	Female	13	18	29	1	61
Total		22	36	41	1	100

Females also show higher tendency to pay more for the food and service at that restaurant. Approximately 49 percent of female customers said they would be willing to pay premium price, whereas 31 percent of male customers would do the same (Table 18).

Table 19. How much more males and females would be willing to pay

		How much more is resonable?			Total
		less than 5%	5 - 10%	more than 10%	
Gender	Male	0	12	0	12
	Female	6	22	2	30
Total		6	34	2	42

Out of 30 female respondents who would pay premium price, 22 persons answered that they would pay 5 to 10 percent more, 6 persons would pay less than 5 percent more, and 2 persons said they would be willing to pay more than 10 percent (Table 19). All of the 12 male respondents who answered they would pay premium price agreed that paying 5 to 10 percent more is reasonable.

Table 20. Genders and customer's loyalty

		Customer's loyalty					Total
		Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Gender	Male	0	9	22	8	0	39
	Female	1	11	40	8	1	61
Total		1	20	62	16	1	100

When being asked whether they would come back to the restaurant regularly even if the restaurant stops doing those good activities, males showed slightly higher tendency of boycotting the restaurant than females did (Table 20). Specifically, 23 percent of the male respondents chose “unlikely” as their answer, and 20 percent of female respondents did the same. Since most of the respondents chose to be neutral when being asked this question, it could be explained that CSR activities alone could not affect customers' loyalty entirely. CSR must come with good quality of food and

service of the restaurant, or other contributed factors to have an ultimate impact on customer's loyalty.

4.2.3 Income level

As mentioned in the theoretical framework, chapter 2.2, economic situation has a great effect on an individual's buying behavior. This section will take a closer look on whether CSR activities affect the buying decision of people with different income level.

Table 21. Three income groups and their reaction to the question “Do you go to a restaurant that offers much lower price than its competitors?”

		Going to a restaurant offering much lower price than its competitors					Total
		Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Annual income	less than 20 000€	1	8	10	11	1	31
	20 000€ - 40 000€	0	8	27	10	0	45
	more than 40 000€	1	8	11	4	0	24
Total		2	24	48	25	1	100

Table 21 shows that about 29 percent of the respondents who earn less than 20 000€ yearly (group I) chose “unlikely” or “extremely unlikely” answer. Unexpectedly, only 17 percent of the respondents who have an annual income from 20 000€ to 40 000€ (group II) chose “unlikely” as their answer. However, only 22 percent of the respondents in group II answered that they would be “likely” to go to that restaurant while 39 percent of the respondents in group one would do so. The rest of the respondents in both groups chose to stay neutral because “it depends on the quality of food and service of the restaurant”. This means group II has higher tendency to go to a restaurant fulfilling its economic responsibilities, i.e. doing good business. The respondents who have an annual income of more than 40 000€ (group III) showed

highest rate (38 percent) of choosing “unlikely” or “extremely unlikely” possibility when being asked if they would go to a restaurant offering much lower price than its competitors.

Table 22. How people of three income groups react to the idea of being able to order different sized portions of every items available on the menu

		Prefer to be offered different sized portions				Total
		Unlikely	Neutral	Likely	Extremely likely	
Annual income	less than 20 000€	6	6	16	3	31
	20 000€ - 40 000€	10	7	23	5	45
	more than 40 000€	4	3	16	1	24
Total		20	16	55	9	100

The respondents in group III (71 percent) showed the most positive attitude towards the idea of being able to order different sized portions of every item available in the menu (Table 22). Around 62 percent of the respondents in group II and 61 percent of the respondents in group I shared the same opinion.

Table 23. How important it is to people of three income groups that the food is made from organic ingredients

		It's important the food is made from organic ingredients					Total
		Extremely unimportant	Unimportant	Neutral	Important	Extremely important	
Annual income	less than 20 000€	1	4	13	12	1	31
	20 000€ - 40 000€	1	7	18	18	1	45
	more than 40 000€	1	2	14	7	0	24
Total		3	13	45	37	2	100

When it came to the question “when eating out, how important is it to you that the food is made from organic ingredients?”, only 29 percent of the respondents in group III gave the answer “important” or “extremely important” (Table 23). Meanwhile, the

percentage of the respondents choosing the answer “important” or “extremely important” from group II and that from group I were equal (42 percent).

Table 24. How often people of three income groups ask about the origin of the food ingredients when eating out

		Asking about the origin of the ingredients				Total
		Always	Sometimes	Rarely	Never	
Annual income	less than 20 000€	0	5	11	15	31
	20 000€ - 40 000€	2	9	18	16	45
	more than 40 000€	0	6	12	6	24
Total		2	20	41	37	100

There were only two respondents who answered that they “always” ask about the origin of the food when eating out, and both of them are in group II. About 16 percent of the respondents in group I, 20 percent of respondents in group II, and 25 percent of the respondents in group III “sometimes” do this (Table 24).

Table 25. The influence of the staff’s behavior on people of three income groups

		The influence of staff’s behavior			Total
		Very much	Moderately	Not much	
Annual income	less than 20 000€	22	8	1	31
	20 000€ - 40 000€	25	19	1	45
	more than 40 000€	13	11	0	24
Total		60	38	2	100

For 69 percent of the respondents in group I, 56 percent of the respondents in group II, and 54 percent of respondents in group III, the staff’s behavior affects their mood “very much” when dining out (Table 25). It is not obvious that fulfilling ethical responsibility has the most impact on which group. Ethical source of food ingredients has the greatest impact on group III, while the outcome of ethical treatments to the staff is most explicit on group I.

Table 26. How much people of three income groups support a restaurant doing good activities to the community

		Supporting restaurants doing good activities				Total
		Unlikely	Neutral	Likely	Extremely likely	
Annual income	less than 20 000€	4	10	14	3	31
	20 000€ - 40 000€	1	17	27	0	45
	more than 40 000€	3	10	11	0	24
Total		8	37	52	3	100

Regarding the level of supporting restaurants doing good activities to the local community, group II showed highest rate. About 60 percent of the respondents in group II chose the answer “likely” (Table 26). It was followed by group II with almost 55 percent said they would be “likely” to support those restaurants. Group I ranked last. Nearly 45 percent would be “likely” to do so and 10 percent would be “extremely likely” to do the same.

Table 27. How much people of three income groups would be willing to pay premium price for the food and service at a CSR friendly restaurant

		Willing to pay premium price				Total
		Unlikely	Neutral	Likely	Extremely likely	
Annual income	less than 20 000€	9	7	14	1	31
	20 000€ - 40 000€	6	22	17	0	45
	more than 40 000€	7	7	10	0	24
Total		22	36	41	1	100

Nonetheless, 45 percent of the respondents in group I would be “likely” to pay more for the food and service at a restaurant doing good activities, while group II (38 percent) and group III (42 percent) were less willing to pay more (Table 27). Some 3 percent of the respondents in group I even indicated that they would be “extremely likely” to pay premium price.

Table 28. How much more people of three income groups would be willing to pay

		How much more is resonable?			Total
		less than 5%	5 - 10%	more than 10%	
Annual income	less than 20 000€	1	13	1	15
	20 000€ - 40 000€	5	11	1	17
	more than 40 000€	0	10	0	10
Total		6	34	2	42

All of the ten respondents in group III who said they would pay premium price chose to pay a 5 to 10 percent premium, while respondents in other groups choses different rates (Table 28). One person in group I and one in group II answered that they would be willing to pay more than 10 percent for the food and service at a CSR friendly restaurant. Thirteen respondents in group I and eleven respondents in group II answered that they would be willing to pay 5 to 10 percent more. One person in group I would pay less than 5 percent, and five persons in group II would do the same. In conclusion, there is a high possibility that people with lower income would pay more for the food and service at a CSR friendly restaurant than those with higher income.

Table 29. Three income groups and customer's loyalty

		Customer's loyalty					Total
		Extremely unlikely	Unlikely	Neutral	Likely	Extremely likely	
Annual income	less than 20 000€	0	5	20	5	1	31
	20 000€ - 40 000€	1	8	28	8	0	45
	more than 40 000€	0	7	14	3	0	24
Total		1	20	62	16	1	100

Nearly 29 percent of the respondents in group III would be “unlikely” to come back to the restaurant regularly if it stops doing good activities to the community (Table 29). Almost 18 percent of the respondents in group II would do the same, and 2 percent would be “extremely unlikely” to visit the restaurant regularly. About 16 percent of the respondents in group I answered that they would be “unlikely” to come back to the restaurant. It could be concluded that people with a higher annual income are more likely to become loyal to a CSR friendly restaurant.

In conclusion, it is not true that people with higher annual income would support every kind of CSR activities more positively. Certain CSR initiatives gain more supports from customers with lower income than from those with higher income.

4.2.4 Lifestyle

In order to see whether there is a relationship between people’s lifestyle and their reactions to different CSR activities, the Pearson correlation statistical test was employed. The Pearson correlation statistical test, a tool in SPSS program, is often used to examine the association between two variables by a correlation (Hinton, Brownlow, McMurray, & Cozens, 2004, 296.).

Table 30. Customers' lifestyle and their reaction about going to a restaurant offering much lower price than its competitors.

		Frequency of buying organic food	Going to a restaurant offering much lower price than its competitors
Frequency of buying organic food	Pearson Correlation	1	-,237*
	Sig. (2-tailed)		,018
	N	100	100
Going to a restaurant offering much lower price than its competitors	Pearson Correlation	-,237*	1
	Sig. (2-tailed)	,018	
	N	100	100

*. Correlation is significant at the 0.05 level (2-tailed).

The Pearson Correlation test statistic in this case is negative (-,237), which means that there is a negative correlation between two variables above (Table 30). A negative correlation means that as one variable increases, the other variable decreases. If the Pearson Correlation test value is positive, there is a positive correlation between two variables. It shows that when a variable increases, the other variable increases also. (Hinton et al., 298 – 300.). In other words, the more often people buy organic food, the less likely they would go to a restaurant that offers much lower price than its competitors do.

Similar Pearson Correlation tests are utilized to examine the relationship between customers' frequency of buying organic food and the other CSR related questions. The findings reveal these key correlations. First, the action of offering different sized portions of every item available on the menu is more supported by people who buy organic food regularly. They are more likely to ask about the origin of the food ingredients when eating out and it is important to them that the food is made from organic ingredients. The staff's behavior affects their mood very much when dining

out. Importantly, they show higher tendency to support CSR friendly restaurants than those who do not buy organic food regularly do.

Those respondents who buy organic food more often are more likely to pay more for the food and service at a CSR friendly restaurant. The figure below shows that people who buy organic food more regularly tend to pay premium price at a restaurant practicing good CSR activities. Among thirty-four respondents who answered that they would pay a “5-10%” premium, eleven of them buy organic food “more than once a week”, eight buy it “once a week”, nine people buy it “once a month” and six people “rarely” buy organic food. Two respondents would pay “more than 10%”. One of them buys organic food more than once a week, the other buys it once a week. Among six respondents who chose to pay “less than 10%”, one chose the answer “more than once a week”, three chose the answer “once a week” and the other two answered “once a month” they buy organic food.

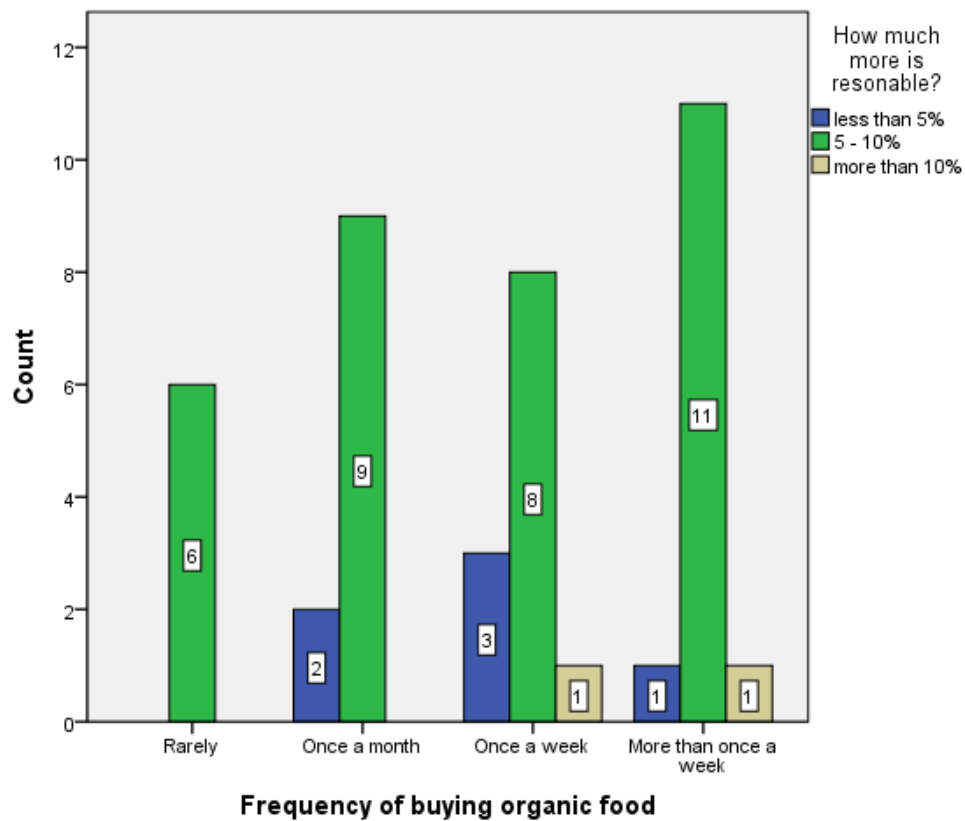


Figure 3. Customers' frequency of buying organic food and how much more they are willing to pay for the food and service at a CSR friendly restaurant

No significant correlations between customers' lifestyle and their loyalty towards CSR friendly restaurants were indicated. In other words, people's lifestyle alone does not decide the extent to which CSR activities affect customer's loyalty.

4.2.5 Personality

The Pearson correlation statistical test continued to serve as a tool to examine the correlation between people's personality and their reaction to CSR related activities. Except for respondents' support to a restaurant doing good activities to the society and respondents' willingness to pay premium price, no correlations between customers' personality and other CSR related activities were indicated.

Table 31. Correlation between respondents' personality and their support to a restaurant doing good activities to the community

		An individual can affect the environment through their daily activities	Supporting restaurants doing good activities
An individual can affect the environment through their daily activities	Pearson Correlation	1	,309**
	Sig. (1-tailed)		,001
	N	100	100
Supporting restaurants doing good activities	Pearson Correlation	,309**	1
	Sig. (1-tailed)	,001	
	N	100	100

Table 31 shows that the Pearson Correlation test value is positive (0,309). This means that people who believe in their ability to improve the quality of the surrounding environment through their daily actions have a tendency to support a restaurant socially responsible.

Table 32. Correlation between respondents' personality and their willingness to pay premium price

		An individual can affect the environment through their daily activities	Willing to pay premium price
An individual can affect the environment through their daily activities	Pearson Correlation	1	,270**
	Sig. (1-tailed)		,003
	N	100	100
Willing to pay premium price	Pearson Correlation	,270**	1
	Sig. (1-tailed)	,003	
	N	100	100

Similarly, those who believe in their power to influence external outcomes would be more willing to pay premium price for the food and service at a CSR friendly restaurant (Table 32).

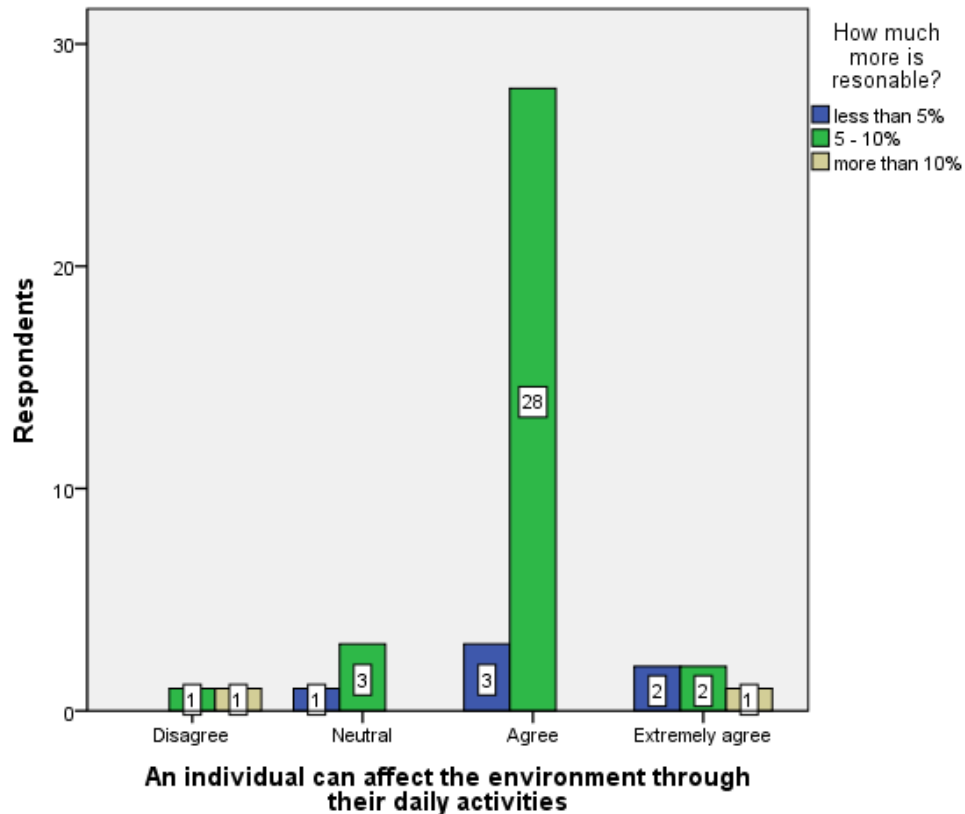


Figure 4. Customers' personality and how much more they are willing to pay for the food and service at a CSR friendly restaurant

A premium of "5-10%" was the most chosen answer possibility (Figure 4). It can be generalized that whether a person has "internal locus of control" or "external locus of control" personality, a raise of "5-10%" is the most reasonable rate that a restaurant can add to the price.

5 CONCLUSION

This chapter will give answers to the research questions and suggest further possible study.

The first question was “To what extent has CSR been implemented in the restaurant industry of Vaasa?”. The results collected from three personal interviews reveal that even though restaurateurs in Vaasa are still unfamiliar with the term CSR, they have been processing CSR related initiatives at their restaurant to some extent.

In general, restaurants in Vaasa have succeeded to fulfill their economic responsibilities. Nonetheless, small restaurants offering food for a surprisingly cheap price are facing questions about their taxes payment.

Meanwhile, achievements of environmental and ethical responsibilities could not be generalized to all restaurants in Vaasa based on three interviews.

Among the three chosen restaurants, two serve lunch buffet, and the other is more like a cafeteria. Therefore, it cannot be generalized that all restaurants in Vaasa have effective methods of managing food waste. Indeed, the situation might be much different in fast food restaurants, fine dining restaurants, and so on. However, the findings positively indicate that organic food ingredients have gained attention from restaurateurs in Vaasa recently.

Ethical treatment of employees at the three restaurants is practiced at a good level. There is no serious discrimination or labor exploitation happening. The staff is respected and treated well. Three interviewed restaurant owners and their employees have a good relationship because they have been friends or have known each other for a long time. Therefore, it cannot be concluded that ethical treatment of employees is ensured at all restaurants in Vaasa, especially at those restaurants with a greater number of employees who are very much different in characteristics.

Social responsibilities have not been on the agenda yet. Contributing to the local events or local charity groups is still an uncommon activity to the local restaurateurs. However, there is a high possibility that they will do it when the opportunity comes, i.e. when the local social groups get more active in finding the sponsors.

The figures from the quantitative research analysis indicate that customers do expect restaurants to be socially responsible. Indeed, 27 percent of the respondents agreed that promoting human welfare is the responsibility of enterprises

For 64 percent of respondents, the idea that the restaurant will offer different sized portions was strongly supported. For 38 percent of respondents, organic sources of ingredients are important. Ethical treatment of employees will indirectly affect the mood of 60 percent of respondents. Besides, 52 percent of customers would support a socially responsible restaurant by coming there to eat. In conclusion, customers' buying decision is certainly affected by CSR related activities of the restaurant. Forty-two customers said they would be willing to pay more for the food and service at the mentioned restaurant. The most reasonable rate chosen by customers is "5-10%".

CSR efforts alone do not have an impact on customer behavior entirely. In fact, the respondents chose to stay neutral in several questions like "Do you go to a restaurant that offers much lower price than its competitors?", or "Would you come back to the restaurant regularly if the restaurant stops doing those good activities?". It can be explained that CSR efforts must go along with good quality of food and service to have the most impact on customer behavior.

By understanding customer reactions to CSR, restaurants can develop optimal CSR strategies, which will result in customer satisfaction and financial rewards. Taken in isolation, any CSR policy can reap benefits for restaurant which already offer good quality of food and service, but as a package, they become an effective means to attract customers and gain customers' loyalty.

This study sets the stage for future research about CSR implementation in restaurants, for example. A thorough study about current practices of CSR in restaurant industry is an interesting topic. In-depth interviews with restaurant owners would be the most effective method to gather necessary information. Besides, the findings of this research could serve as secondary data for a research about customer behavior before and after they know about CSR activities of a restaurant.

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INTERVIEWS

Fredrik Ols, 1h+keittiö Restaurant, Hovioikeudenpuistikko 13a, 65100 Vaasa

Interview held on 01/8/2012

The owner of a Chinese buffet restaurant in Vaasa.

Interview held on 08/8/2012

Mats Sabel, Panorama Restaurant, Vaasanpuistikko 16, 65100 Vaasa

Interview held on 22/8/2012

APPENDIX 1

My name is Doan Thi Thuy Trang, a last year student of Vaasa University of Applied Sciences. I am writing my final thesis which is about the impact of Corporate Social Responsibility on customer behavior in restaurant industry. Your anonymous answers will help me to complete the final stage of the research. Thank you very much in advance!

1. Age _____

2. Gender ☐ Male ☐ Female

3. Yearly income

☐ less than 20 000€

☐ 20 000€ - 40 000€

☐ more than 40 000€

4. How often do you buy organic food?

☐ More than once a week ☐ Once a week ☐ Once a month ☐ Rarely ☐ Never

5. What do you think about this statement “a single person can improve the quality of the environment through their daily simple actions”

☐ Extremely disagree ☐ Disagree ☐ Neutral ☐ Agree ☐ Extremely agree

6. In your opinion, improving the quality of life of the society is responsibility of ...

☐ the government

☐ enterprises

☐ every citizen

☐ other _____

7. Do you go to a restaurant that offers much lower price than its competitors?

☐ Extremely unlikely ☐ Unlikely ☐ Neutral ☐ Likely ☐ Extremely likely

8. Would you like to be offered different sized portions (i.e small, medium, large) of every item available on the menu?

☐ Extremely unlikely ☐ Unlikely ☐ Neutral ☐ Likely ☐ Extremely likely

9. When eating out, how important is it to you that the food is made from organic sources?

- ☐ Extremely unimportant ☐ Unimportant ☐ Neutral ☐ Important ☐ Very important

10. Do you ask about the origin of the food ingredient when eating out?

- ☐ Always ☐ Sometimes ☐ Rarely ☐ Never

11. When eating out, the staff's behavior affects your mood

- ☐ very much ☐ moderately ☐ not much ☐ not at all

12. If a restaurant is doing good activities, e.g sponsoring to charity and local schools, donating money to non-profit programs, etc. will you come there to eat to support the restaurant when you know about that?

- ☐ Extremely unlikely ☐ Unlikely ☐ Neutral ☐ Likely ☐ Extremely likely

13. Are you willing to pay more for the food and service at that restaurant?

- ☐ Extremely unlikely ☐ Unlikely ☐ Neutral ☐ Likely ☐ Extremely likely

14. If you answer "Yes" to the previous question, how much more is considered reasonable?

- ☐ less than 5%
☐ 5-10%
☐ more than 10%

15. Will you come back to that restaurant regularly if the restaurant stops doing those good activities?

- ☐ Extremely unlikely ☐ Unlikely ☐ Neutral ☐ Likely ☐ Extremely likely

Thank you very much for your answers!

APPENDIX 2

Interview questions

General questions

1. What kinds of product and service does the restaurant offer?
2. What is the capacity of the restaurant?
3. What are the main customer groups?

CSR related questions

1. Are you familiar with Corporate Social Responsibility (CSR) term?
2. Do you have any CSR programs?

Economic factors

1. What is the average amount of guest per day?
2. There are more and more local restaurants, for example local pizzerias, that offer surprisingly cheap price. How do you think they can gain profit from that kind of sales?
3. In your experience, would it be possible that there is some kind of disobeying the law in this situation?

Environmental factors:

1. Do you engage in any consultant organization that provides advice regarding sustainability issues?
2. If yes, what kind of advice do they provide?
3. How much you do use organic food ingredients?
4. How much food waste the restaurant produces daily/monthly?
5. Do you have any plan to reduce this amount?

Social factors

1. Do you have a relation to any charity groups?
2. What has been contributed to the local community on behalf of the restaurant?

Ethical factors:

1. How many percent of your food ingredients comes from local farmers?
2. How many employees does the restaurant employ at the moment?
3. What are their backgrounds? (Age, gender, nationality)
4. What do you do to prevent situations where the staff is treated unequally?
5. What has been done at the restaurant to motivate the staff?